

Exhibit C

Corporate Trust Services
60 Livingston Avenue
St. Paul, Minnesota 55107

THIS TRANSMITTAL CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. PLEASE EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.

**NOTICE OF THE SETTLEMENT OF ISSUES RELATING TO THE SWAP
TRANSACTIONS WITH LEHMAN BROTHERS SPECIAL FINANCING INC. TO THE
HOLDERS OF NOTES ISSUED BY THE ENTITIES LISTED ON EXHIBIT A AND THE
CUSIP NUMBERS LISTED ON EXHIBIT B**

(Notice Date: June 29, 2011)

Reference is made to those certain trust agreements for the trusts listed in Exhibit A (collectively referred to as the "*Trust Agreements*"). Any capitalized terms used herein and not otherwise expressly defined shall have the respective meanings assigned to such terms in the Trust Agreements or the Motion (as defined below), as appropriate.

Under the terms of the Trust Agreements, the Issuer entered into Negative Amortizing Swap Transactions, Cap Transactions or Cap Corridor Transactions with Lehman Brothers Special Financing Inc. ("*LBSF*") as a counterparty documented by those certain ISDA Master Agreements, as supplemented by those certain Confirmations referenced in Exhibit A (the "*Swap Transactions*").

On September 15, 2008, Lehman Brothers Holdings Inc. ("*LBHI*") filed a voluntary petition seeking relief under Chapter 11 of 11 U.S.C. § 101 *et seq.* (the "*Bankruptcy Code*"), and thereafter on October 3, 2008, LBSF filed a voluntary petition under the Bankruptcy Code. These proceedings are pending in the United States Bankruptcy Court for the Southern District of New York (the "*Bankruptcy Court*").

In general the Swap Transactions either (i) advance certain interest payments to the relevant Trust with respect to certain negative amortizing mortgages held by the Trusts under the terms and circumstances set forth in the Swap Transactions, or (ii) are interest rate caps or interest rate corridors for which the relevant Trust made an upfront payment to LBSF in exchange for floating payments under the terms and conditions of the Swap Transactions. The Debtors have determined that the Swap Transactions are all "out-of-the money" to the Debtors. Except for the repayment of any amounts advanced under the negative amortizing swaps that

remains unpaid, the Debtors cannot and will not receive any further payments from the Trusts under the terms of the agreements, and may only owe amounts under such contracts to the Trusts. Accordingly, the Debtors have determined that it would be prudent to terminate the Swap Transactions and settle the amounts owed by LBSF thereunder.

This is to advise you that LBSF and LBHI have proposed damage claim amounts related to their proposed rejection of the Swap Transactions with LBSF and LBHI (the "*Settlement Amounts*"). The Settlement Amounts were independently verified as fair and reasonable by a third party retained by the Trustee. The Settlement Amounts are set forth in a motion seeking approval of the Settlement Amounts by the Bankruptcy Court (the "*Motion*"), which was filed by LBSF on June 28, 2011. A copy of the Motion is attached as Exhibit C. If the Bankruptcy Court approves the Motion, the Settlement Amounts will be deemed allowed claims in the bankruptcy proceedings. The Motion also seeks to bind Noteholders to the terms of this proposed settlement.

PLEASE BE ADVISED THAT objections, if any, to the Motion shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Southern District of New York, shall set forth the name of the objecting party, the basis for the objection and the specific grounds thereof, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's case filing system and by all other parties in interest on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with two hard copies delivered directly to Chambers), and shall be served upon: (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004, Courtroom 601; (ii) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Robert Lemons, Esq., attorneys for the Debtor; (iii) the Office of the United States Trustee for Region 2, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Tracy Hope Davis, Esq. Elisabetta Gasparini, Esq. and Andrea B. Schwartz; (iv) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attn: Dennis F. Dunne, Esq., Dennis O'Donnell, Esq., and Evan Fleck, Esq., attorneys for the official committee of unsecured creditors appointed in these cases, (v) Quinn Emanuel Urquhart & Sullivan, LLP, 51 Madison Avenue, 22nd Floor, New York, New York 10010, Attn: Eric Winston, Esq. and Scott Shelley, Esq. and (vi) Chapman and Cutler LLP, 111 West Monroe Street, Chicago, IL 60603, Attn: James E. Spiotto, Esq., and Franklin H. Top, III, Esq., attorneys for U.S. Bank National Association, as Trustee so as to be so filed and received no later than **July 13, 2011 at 4:00 p.m. (prevailing Eastern Time) (the "Objection Deadline")**.

A hearing on the Motion will be held before the Honorable James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy Court, Alexander Hamilton Customs House, Courtroom 601, One Bowling Green, New York, New York 10004 (the "Bankruptcy Court"), on **July 20, 2011 at 10:00 a.m. (Prevailing Eastern Time) (the "Hearing")**. Objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted or denied upon default.

PLEASE TAKE FURTHER NOTICE that if an objection to the Motion is not received by the Objection Deadline, the relief requested shall be deemed unopposed, and the Bankruptcy Court may enter an order granting the relief sought without a hearing.

Receipt of this notice should not be construed as evidence or acknowledgment of any requirement applicable to, or of any right or authority on the part of any recipient under the Trust Agreement to direct, the matters addressed herein, or of any obligation on the part of the Trustee with respect thereto, and the Trustee expressly reserves all rights in determining appropriate actions and requirements concerning these matters.

Prior to any distribution to Noteholders, funds held under the relevant Transaction documents may be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to such Trustee. This includes, but is not limited to, compensation for time spent, and the fees and costs of counsel and other agents employed, to pursue remedies or other actions to protect the interests of the Noteholders.

The Trustee reserves all rights under the relevant Transaction documents. Please be aware that the Trustee may conclude that a specific response to particular inquiries from individual Noteholders is not consistent with equal and full dissemination of information to all Noteholders. Noteholders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment, legal or tax advice. Each Noteholder should seek investment and tax advice from an independent advisor based on such Noteholder's particular circumstances.

U.S. Bank National Association,
as Trustee

Exhibit A

1. Greenpoint Mortgage Funding Trust Mortgage Pass-Through Certificates, Series 2006-AR5.
2. Greenpoint Mortgage Funding Trust Mortgage Pass-Through Certificates, Series 2006-AR7.
3. Greenpoint Mortgage Funding Trust Mortgage Pass-Through Certificates, Series 2006-AR8.
4. Greenpoint Mortgage Funding Trust Mortgage Pass-Through Certificates, Series 2007-AR1.
5. Greenpoint Mortgage Funding Trust Mortgage Pass-Through Certificates, Series 2007-AR2.

Exhibit B

<u>Identifier</u>	<u>CUSIP</u>
GPMF 2006-AR5 1-A2A2	39538AAE6
GPMF 2006-AR5 1-A3A2	39538AAJ5
GPMF 2006-AR7 2-A2	39538CAJ1
GPMF 2006-AR7 2-A1	39538CAH5
GPMF 2006-AR7 1-A2A2	39538CAD4
GPMF 2006-AR7 1-A3A2	39538CAF9
GPMF 06-AR8 2-A	39539HAF7
GPMF 06-AR8 1-A1A	39539HAA8
GPMF 06-AR8 1-A3B	39539HAE0
GPMF 2007-AR1 2-A1A	39539KAD5
GPMF 2007-AR1 2-A1B	39539KAE3
GPMF 2007-AR1 1-A1A	39539KAA1
GPMF 2007-AR1 1-A2A	39539KAB9
GPMF 2007-AR1 1-A1B	39539KBD4
GPMF 2007-AR1 1-A3	39539KAC7
GPMF 2007-AR1 3-A1	39539KAF0
GPMF 2007-AR1 3-A2	39539KAG8
GPMF 2007-AR1 3-A3	39539KAH6
GPMF 2007-AR1 3-A4	39539KBC6
GPMF 2007-AR2 1-A4B	39539LAF8
GPMF 2007-AR2 1-A3	39539LAD3
GPMF 2007-AR2 1-A2A	39539LAB7
GPMF 2007-AR2 1-A2B	39539LAC5

GPMF 2006-AR8 (balance guaranty cap)	39539HAE0
GPMF 2007-AR1 (cap)	39539KAF0
GPMF 2007-AR1 (cap)	39593KBC6
GPMF 2007-AR1 (cap)	39539KAT0
GPMF 2007-AR1 (cap)	39539KAU7
GPMF 2007-AR1 (cap)	39539KAV5
GPMF 2007-AR1 (cap)	39539KAW3
GPMF 2007-AR1 (cap)	39539KAX1
GPMF 2007-AR1 (cap)	39539KAY9
GPMF 2007-AR1 (cap)	39539KAZ6
GPMF 2007-AR1 (cap)	39539KBA0
GPMF 2007-AR1 (cap)	39539KBB8